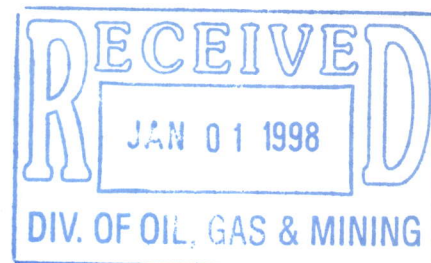


STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
Telephone: (801) 538-5291  
Fax: (801) 359-3940



ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) 1-97 To (mo./yr.) 12-97
2. DOGM File Number (Mine No): 510191030
3. Mine Name: Pussy Cat - Kelly Jo
4. Mineral(s) Mined (or permitted to mine): ALL PRECIOUS METALS (AND FERROUS)
5. Type of mine ☒ Surface Mine or ☒ Underground Mine
6. Legal Description (Location of Lands Affected):  

<u>NE</u> 1/4, _____ 1/4, _____ 1/4, Section <u>23</u> , Township <u>20S</u> , Range <u>25E</u>	ALL SLM
<u>SE</u> 1/4, _____ 1/4, _____ 1/4, Section <u>22</u> , Township _____, Range _____	
<u>NW</u> 1/4, _____ 1/4, _____ 1/4, Section <u>26</u> , Township _____, Range _____	
<u>SW</u> 1/4, _____ 1/4, _____ 1/4, Section <u>22</u> , Township _____, Range _____	

7. Name of Operator or Company: PENG MINING (ICON PENG)
8. Permanent Street Address: 2989 BRET DR.  
City, State, Zip: GRAND JCT. CO. 81504  
Phone: 970-243-4473
9. Company Representative (or designated operator):  
Name: ICON PENG  
Title: PROJECT MGR. FOR PENG MINING  
Business Address: 2989 BRET DR.  
City, State, Zip: GRAND JCT. CO. 81504  
Phone: 970-243-4473  
☒ Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was the mine active during the past year? Yes ☒ No ☐
2. If active, how much ore or mineral was mined? TESTING, RESEARCH/DEVELOPMENT
3. If inactive, what year was the mine last active? \_\_\_\_\_

3. How much **additional acreage** was disturbed during the past year? 0
4. Briefly describe any new or additional surface disturbances that occurred during the past year. This description should include the type of work performed, and volume of material moved.

DRILLING TEST HOLES, 28 HOLES, 25" EACH. ALL HOLES WERE  
DRILLED ON GRAND COUNTY ROAD #950. THERE WAS NO  
FORMATION CHANGE, NOR WAS ANY WATER FOUND.  
ALL TESTING WAS DONE AT EXISTING WORK SITES, ROADS & PITS.

5. How much acreage was **reclaimed** during the past year? 0
6. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7. What is the **total disturbed acreage** at years end? 2

8. Briefly summarize any mining and/or reclamation plans for the upcoming year.

TESTING, SURFACE AND SUBSURFACE, RESEARCH AND  
DEVELOPMENT.

\_\_\_\_\_  
\_\_\_\_\_

**NOTE:** Section III., "Additional Information" applies only to **large mining operations**.

### III. Additional Information

1. An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.
2. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be attached.

### IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print):

RON PERNE

Title of Operator:

PROJECT MGR. FOR PERNE MINING

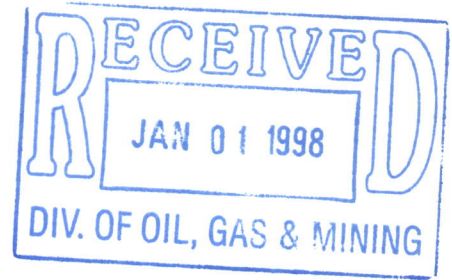
Signature of Operator:

R. Perne

Date:

12-29-97

December 29, 1997



Mr. Wayne Hedberg  
Permit Supervisor  
DNR-Div. of Oil, Gas and Mining  
State of Utah  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84114-5801

Re: Address Change

Dear Mr. Hedberg:

Please find enclosed a new mailing address for Pene Mining

Ron Pene  
2989 Bret Dr.  
Grand Junction, Co.  
81504

Also, enclosed you will find a copy of the Annual Report of Mining Operations for my mining claims.

Mine No.

Mine Name

S/019/030

Pussycat - Kelly Jo

Should you have any questions, please feel free to contact me at my new mailing address, or call me at 970-243-4473.

Sincerely,

A handwritten signature in black ink, appearing to read "Ron Pene".

Ron Pene